

Information Technology Resource Management Council (ITRMC)

October 14, 2009, Meeting Minutes

Approved by Council, December 9, 2009

The October 14, 2009 meeting of the Information Technology Resource Management Council was held in the East Conference Room of the Joe R. Williams Building, 700 West State Street, Boise, Idaho.

ATTENDANCE

Members/Designate(s) Present:

Donna Jones, State Controller
Representative Tom Loertscher (phone)
Senator Les Bock (phone)
Representative Branden Durst
Dennis Gribble, Vice President and CIO, Idaho Power Company
Col. Bill Shawver, Director, Idaho Bureau of Homeland Security
Jerry Piper, Operations Manager, Cambridge Telephone Company
Craig Potcher, Information Technology Bureau Chief, Dept. of Fish and Game

Designates –

Teresa Luna, Dept. of Administration (Chair)
Jimmy Takata, State Dept. of Education
Mark Solterbeck, State Board of Education

Absent Members:

Mike Gwartney, Director, Dept. of Administration
Richard Armstrong, Director, Dept. of Health and Welfare
Senator Patti Anne Lodge
Mike Rush, Executive Director, State Board of Education
John Peay, IS Director, Idaho Supreme Court
Col. Jerry Russell, Director, Idaho State Police
Tom Luna, Supt. of Public Instruction
Steve Steiner, Idaho Bureau of Homeland Security

Others Present:

Sally Brevick, Office of the CIO
Carla Casper, Office of the CIO
Gail Ewart, Office of the CIO/ IGO
Bill Farnsworth, Office of the CIO
Dan Goicoechea, State Controller's Office

Scot Maring, Office of the CIO
Lance Moody, Dept. of Juvenile Corrections
Terry Pobst-Martin, Office of the CIO
Ray Polzin, PERSI
Jared Tatro, Office of Performance Evaluations
Greg Zickau, Office of the CIO

CALL TO ORDER

Teresa Luna, Chair, welcomed members and guests present and called the meeting to order.

APPROVAL OF PREVIOUS MEETING MINUTES

MOTION: Ms. Jones moved and Mr. Potcher seconded a motion to approve the meeting minutes from October 2, 2009; the motion was passed unanimously.

(<http://itrmc.idaho.gov/minutes/itrmc/20091002.pdf>)

REVIEW OF PROJECTS

Greg Zickau noted that funding was not necessarily being requested this year for the OCIO projects but approval was being sought in case funding should become available.

1) PERSI: IT SYSTEM REPLACEMENT

Ray Polzin provided the Council with an overview. (refer to slides:
<http://itrmc.idaho.gov/minutes/itrmc/20091014persi.pdf>)

Questions and Discussion

- Rep. Durst questioned the fiscal impact of this project in terms of adding value to the organization for those who have invested in the PERSI system. Mr Polzin explained that the project costs make up 0.13% of the total fund value. Although the system is not used directly by those investing in the portfolio, the impact is significant as the system processes all transactions from members and employers who provide the money in the fund for investments. The impact is huge in terms of adding value to PERSI operations.
- Mr Potcher asked whether the existing system was “homegrown” or off-the-shelf modified. Mr Polzin explained that the system had initially been developed by Watson Wyatt Worldwide, based on a transaction engine they had developed called Nexserv. The company is still in existence today but their business models have significantly changed in the last 10 years, moving to new platforms and service offerings, and leaving the transaction engine (Nexserv) behind. So the product purchased by PERSI, implemented between 1998 and 2001, was a customized solution based on a standard framework, to which functionality, unique to PERSI, was added.
- Col. Shawver questioned the cost involved in upgrading the current system. Mr Polzin commented that the 18 to 20 million dollars mentioned would be the minimum required just to provide functionality as it stands today, but on a newer platform. The risk in simply upgrading the current system is that the vendor does not support custom components. The most cost effective and the better solution is to use a COTS (Commercial Off The Shelf) system, providing a complete fit for the business by either programming the remaining 10 to 20 percent missing in the COTS system, or changing the business processes to fit the COTS model. Mr Polzin said he believed that stability could be brought to the system by putting an ancillary process in place to take care of the components missing from the selected solution.
- Col Shawver asked whether Mr Polzin was confident that the functionality required, and at this price, would be restored. Mr Polzin noted Missouri uses a system that is probably closest in size and complexity to that of Idaho and has recently undergone the processes which Idaho is about to, including business analysis, business requirements documentation, and system selection and implementation. Mr Polzin said he was fairly confident that PERSI’s expenses would be within the \$13.5 million range. The PERSI Executive Leadership has strongly recommended changing the business model to fit the application selected, in order to utilize industry best practices and optimize resources.
- In response to Mr Gribble’s query about the vendor providing the business functionality requirements, Mr Polzin commented that PERSI would, later this week, be selecting a project management vendor who is the “leader of the pack” when it comes to Public Pension System business analysis, business requirements documentation, software vendor selection, and implementation. This vendor has significant experience and qualifications with public pension administration systems and will provide project oversight for the current fiscal year to determine the business requirements and develop the System Vendor RFP in accordance with State Division of Purchasing guidelines. Provided authorization to proceed is granted, and once the RFP is released, this vendor will provide oversight of the system implementation and recommend any business process improvements based on their observations and experience in this industry.

MOTION: Ms Jones moved and Mr Potcher seconded a motion to approve the IT System Replacement Project; the motion was passed unanimously.

2) OFFICE OF THE CIO: IDAHO CONSOLIDATED SERVICES

Carla Casper outlined the Consolidated Services project. (refer to slides:

<http://itrmc.idaho.gov/minutes/itrmc/20091014ics.pdf>)

Questions and Discussion

- Col. Shawver queried the current and projected cost savings for the 34 agencies already migrated. Ms. Casper explained that there were no tangible dollar savings as yet, but rather there were savings in terms of staff re-assignment to other areas now that the migration for these agencies was complete. Costs for client licensing remain the same regardless of whether the agency has their own messaging system or is with an enterprise system. For agencies with enterprise licensing, the costs of client licensing will remain with the agency because it cannot be broken out. Enterprise licensed agencies will have their mailbox costs decreased to compensate for the licensing costs they pay. For agencies not participating in an enterprise agreement, the OCIO provides the licensing. Ongoing operating costs will be covered by charging back to the agencies. Most of the savings are going to be realized in process efficiencies, in that migrated agencies do not have exchange servers, server licensing or server equipment costs. Projected savings in the long term are between \$600,000 and \$1,000,000. Greg Zickau added that operational costs would be roughly equal, but savings will come when features are added. When the state needs to add redundancy or archiving, for example, this could be done 30 to 40 times or it could be done once, twice or three times.
- Jerry Piper queried whether the 1.8 million dollars requested for fiscal year 2011 was additional, or money already budgeted by other agencies. Ms Casper explained that this was additional general fund money being requested to build the system. Agencies had been assured that the system would be built at no cost to them, and they would only be responsible for the ongoing maintenance costs and the licensing costs.
- Col. Shawver sought further clarification regarding redundancy and disaster recovery. Ms Casper explained that the system is currently supported with backups to disk and tape, which can be recovered in the event of a system failure. The last failover to be implemented is business continuity where a complete system will be implemented in the same co-location facility as the State Controller's Office. In the event of a failure, the system will automatically failover without any impact to the end-user. In addition to backups, there is redundant equipment, redundancy in all the OCIO servers and the Exchange servers are clustered so that, should one server experience issues, the other will automatically kick in. The system is monitored 24x7 with technical staff on call. This enterprise service is considered critical and of highest priority and, should there be a catastrophic event, it would be one of the first services that the OCIO would endeavor to resume.

MOTION: Mr Gribble moved and Ms Jones seconded a motion to approve the Idaho Consolidated Services Project; the motion was passed unanimously.

3) OFFICE OF THE CIO: IDAHO SPATIAL DATA INFRASTRUCTURE INVESTMENT REVIEW

Gail Ewart provided a summary to the Council (refer to slides:

<http://itrmc.idaho.gov/minutes/itrmc/20091014isdi.pdf>)

Questions and Discussion

- Rep. Durst queried the fiscal impact to the State of delaying this endeavor. Ms Ewart commented on the missed opportunities. Idaho is about 10 years behind other states and the biggest missed opportunity is the matching of federal dollars. Ms Ewart added that there was a readiness/preparedness risk involved. Opportunities with the Bureau of Homeland Security and federal funds from 911 could be used to develop data to provide better emergency response and mitigation.
- Rep. Durst queried further what the potential federal investment might be. Ms Ewart explained that this would come from various flows, such as the Department of the Interior, US Geological Survey, the Bureau of

Land Management, and the Forest Service. On the Homeland Security side there are several flows from 911 to Homeland Security initiatives. There are also various groups that have funding, such as the Emergency Communications Commission (e911 program), gathering certain types of data for Homeland Security purposes. The Office of Management & Budget (OMB) has grant programs through various federal committees, such as the Federal Geographic Data Committee. In terms of dollar value, Ms Ewart noted that Oregon experiences a 6-1 leverage, for every dollar the state puts in, they return about 6, not just from the federal government but from other sources as well.

- Col. Shawver expressed his support for this endeavor, particularly from an emergency management perspective.
- Jerry Piper queried who had access to this information. Ms Ewart explained that there would be tiered access and not all information would be generally available. Currently, there are three base data sets that are fully completed and available. Ultimately there will be about 35 data sets, it would be beneficial to have these available to all, but some partners are resistant to this idea.
- Rep Durst questioned whether some counties were investing their own money. Ms Ewart commented that the counties were partners in this endeavor and while most do have some level of GIS, some low-resourced counties will always struggle. Regional resource centers are designed to address these issues and the business plan contains half a dozen different strategies to ensure a minimum capability, including the ability for counties to adequately steward their data.

MOTION: Col. Shawver moved and Mr Potcher seconded a motion to approve the Idaho Spatial Data Infrastructure Investment Review; the motion was passed with seven in favor and one opposed.

4) OFFICE OF THE CIO: DATA LOSS PREVENTION PROJECT SUMMARY

Terry Pobst-Martin shared a brief overview of the project (refer to slides:

<http://itrmc.idaho.gov/minutes/itrmc/20091014dataloss.pdf>)

Questions and Discussion

- Jimmy Takata questioned whether the solution was to purchase software that would prevent the leaking of data. Ms Pobst-Martin explained that a combination of hardware and software would be positioned on the perimeter of the network, which would monitor data flow and look for specific types of data.
- Mr Takata sought clarification with regard to the education element that had been mentioned. Ms Pobst-Martin commented on the importance of having agencies understand the results that might affect them, so that they can respond quickly to prevent further leakages.

MOTION: Ms Jones moved and Mr Potcher seconded a motion to approve the Data Loss Prevention Project; the motion was passed unanimously.

ADJOURNMENT

There was no further business to come before the Council and Ms Luna adjourned the meeting. The next meeting is scheduled for December 9, 2009.

Respectfully submitted,



Sally Brevick, Office of the CIO